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DIRECTORATE OF INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

ARMY and DOS	review(s)	completed.
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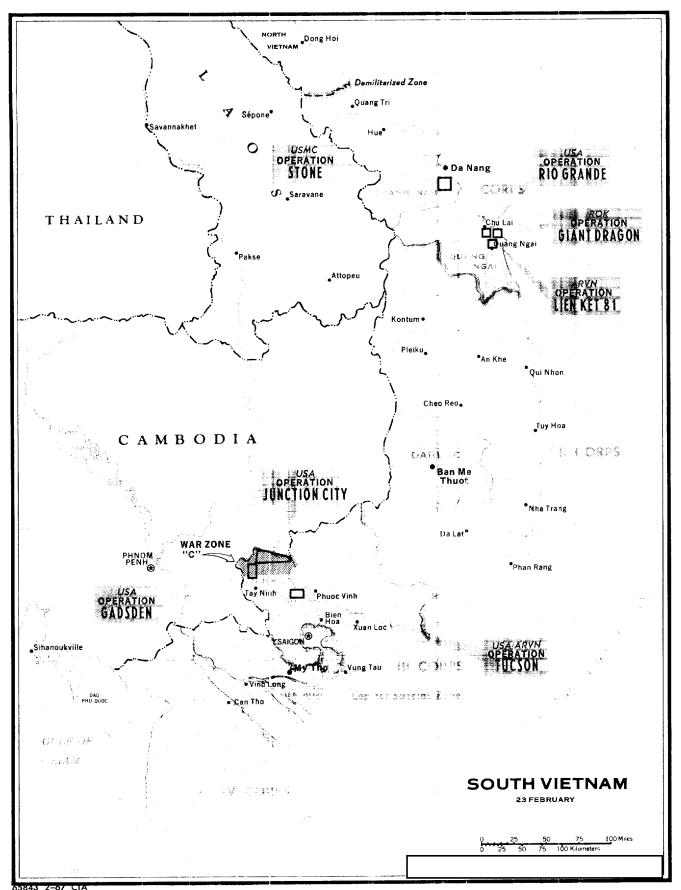
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- V. Communist Political Developments: DRV Vice Premier Pham Hung has admitted in a recent speech that production in the North Vietnamese economy suffered significantly during 1966 (Paras. 1-4). Moscow is attempting to blame China for the US decision to resume bombing North Vietnam (Páras. 5-7).
- VI. Other Major Developments: Route 922 in the Laos panhandle is being extended into South Vietnam (Paras. 1-2).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Since the massive, multibattalion search-and-destroy Operation JUNCTION CITY began in northern Tay Ninh Province on 22 February, only light and sporadic contact with Communist forces has been reported. Seven American helicopters were shot down by enemy ground fire, however, as US paratroopers and infantrymen were flown into positions near the Cambodian border. This operation, targeted against major Communist forces and headquarters in War Zone "C"--including the Central Office for South Vietnam (COSVN), the major VC military and political headquarters in the country--has thus far resulted in American casualties of four killed and 23 wounded. No reports of enemy casualties have been received.

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3. The three-pronged allied offensive conducted in the coastal lowlands of northeastern Quang Ngai Province ended on 22 February. It was designed to disrupt the activities of elements of the 2nd and 3rd North Vietnamese Army divisions in the area. A total of ten battalions participated in this combined drive; the South Vietnamese in Operation LIEN KET 81, the South Koreans in Operation GIANT DRAGON, and US forces in Operation RIO GRANDE. Heavy enemy casualties were inflicted as the result of several days of intense fighting mostly involving South Vietnamese forces. Communist losses have been reported to be 456 soldiers killed and 152 weapons captured. Friendly casualties were 50 killed, 213 wounded, and two missing.

Three US Operations End on 20 February

4. Operation STONE, a three-battalion search-and-destroy sweep in the coastal flatlands of Quang Nam Province south of Da Nang, ended on 22 February. This 12-day-long operation to seek out and destroy elements of two Viet Cong local force battalions resulted in 291 Communists killed. In contrast, American losses were reported to be nine killed and 77 wounded.

- 5. The multibattalion US Army search-and destroy Operation GADSDEN, conducted in the north-western section of Tay Ninh Province, also ended on 22 February. GADSDEN was intended to sweep into the western fringes of Communist War Zone "C" in search of elements of the 271st Viet Cong Regiment. The operation resulted in enemy losses of 161 killed and 25 Communist weapons captured. American casualties were 29 killed and 107 wounded.
- 6. Operation TUCSON, conducted by nine US and South Vietnamese infantry battalions in north-western Binh Duong Province, ended on 22 February. Contact with the 2,000-man 272nd Viet Cong Regiment was sporadic and light during this week-long effort. A large Viet Cong rice cache was discovered and more than 225 tons of rice was evacuated. Final casualty figures show three Americans killed and 67 wounded with enemy losses reported to be 13 killed and five weapons captured. A total of 208 tactical air strikes and 21 B-52 missions were flown in support of this search-and-destroy operation.
- 7. South Vietnamese troops reportedly uncovered two large Viet Cong arms caches in Kien Hoa Province on 23 February. The caches included eight 75-mm. artillery pieces, six tons of ammunition, and 239 small weapons. The artillery pieces were reported to be American made. The Viet Cong may have intended to use the 75-mm. weapons to form an artillery battalion to attack the new US headquarters installation near My Tho, 20 miles to the north.
- 8. A South Vietnamese outpost 20 miles northeast of Ban Me Thuot in mountainous Darlac Province was attacked by an enemy force on 22 February. Several hours later, a relief force consisting of one Regional Force company and one Popular Force platoon was attacked en route to the outpost by an estimated battalion-size Communist force. South Vietnamese troops, supported by US tactical air strikes forced the enemy to withdraw. Friendly casualties were one killed, 14 wounded, and four missing (one US). One Communist was killed and a quantity of North Vietnamese Army documents captured.

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- l. The Constituent Assembly approved nine more articles of the constitution dealing with the executive branch of the government during its first two sessions since the weekend. Most of the articles concerned the routine duties of a popularly-elected president in a republic and were approved without difficulty. As expected, the president was granted the right to reorganize the government--meaning the prime minister and his cabinet--on his own initiative.
- 2. In Article 61, the assembly surfaced a "council of ministers" not previously mentioned in the initial draft constitution. According to US Embassy information, the council will be composed of the president, vice president, and senior cabinet members, although its function and authority at this time are unspecified. Article 63, outlining the executive's emergency powers, reads, "the president may sign decrees declaring states of emergency, curfew, and tension." The following article stipulates that the president has the right to prolong the terms of office of some elected bodies in a state of war when elections can not be held. That article was the subject of a lengthy debate, during which several deputies expressed their fear that the president could interpret the provision so as to prolong his The debate was indicative of own term of office. the assembly's distrust, in general, of a powerful executive office. A safeguard was added to the article, requiring the assembly to approve such extensions of tenure by a two-thirds majority.

Presidential Age Limit

3. The issue in the Constituent Assembly over the minimum age limit for presidential candidates, which was resolved late last week by setting the minimum at 35 rather than 40 years, may have greater political significance than was first apparent. The issue was expected to be one of the more controversial subjects, but in actuality, the lower age was

approved in an orderly and unemotional fashion. Now, however, the issue is being construed as a preliminary test of strength between Premier Ky and Chief of State Thieu. Ky, who is 37, would have been eliminated as a candidate if the higher age limit had been imposed.

4. One southern ex-cabinet member has told an embassy officer that he and the southern militants in the assembly thought that they had enough support to establish the 40-year minimum in favor of Thieu. Other prominent assemblymen and political leaders have told embassy officers that the nearly complete lack of support for the 40-year limit was indeed a victory for Ky. The embassy reports that both Ky and Thieu still appear to be candidates, but that Ky's star is burning a little brighter than Thieu's for the time being.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

- 1. DRV Vice Premier Pham Hung, in a recent speech at a national planning conference, admitted that production, including agriculture, suffered significantly in 1966. Although he did not volunteer any estimate of the degree to which the economy had faltered, he did single out agriculture and transportation, as areas where performance had been poor. He confessed that in the initial steps, taken to change the trend of the DRV's economic program, "we could not avoid being overwhelmed." Pham Hung went on to claim that these problems had been worked out. The vice premier attempted to put North Vietnam's meager agricultural achievements in 1966 in their best light by claiming that "a quintal of paddy produced in 1966" was much more significant than one produced "during 1962-63."
- 2. Pham Hung also pointed out that the politburo has once again asserted that irrigation "is still the number-one task" and that this is "a difficult and urgent struggle." He claimed that in the past the DRV leaders had believed that problems of water-logging and drought had been solved but that natural calamities in 1966 had proved them wrong. Problems in the trade and distribution of consumer goods, however, were attributed to "corruption, waste, and inadequate leadership." Pham Hung implied that local cooperative leaders had been overzealous in procuring state rice supplies, and warned, "Comrades, the most important condition is to help make peasants more enthusiastic and allow them to participate in the fruits of their labor."
- 3. Pham Hung told local officials, for example, that their performance would be judged on the basis of their contribution to the war effort in terms of manpower and "wealth"; their ability to keep their people fed, clothed, and full of "revolutionary zeal"; and their efforts to build up the local economy.

4. The DRV vice premier's talk is to be broadcast in three parts, the second of which should provide additional details on the party's 12th Resolution. The 12th Resolution was referred to briefly in the first installment of the speech in which Pham Hung confirmed that it did reorient North Vietnamese objectives in order to give the war effort number-one priority. In addition, Radio Hanoi's synopsis of the second installment of the speech promised a more detailed discussion of the 1967 plan.

Moscow Blaming China for US Resumption of Bombing

- 5. Moscow is attempting to place the lion's share of the blame on China for the US decision to resume bombing of North Vietnam. Soviet commentary has quoted the foreign press to the effect that the tough US attitude can be attributed to China's anti-Soviet and splitting activities. The US has been described as "counting on" the Chinese attitude to make its "aggression" easier.
- 6. Concomitant with blaming the Chinese for the renewed bombing, Soviet news media have carried increasingly detailed accounts of Chinese obstruction of Soviet aid deliveries to North Vietnam. A broadcast of Moscow radio's program Peace and Progress on 16 February stated that the American raiders would not have risked appearing over North Vietnam "if it were not for the obstacles put up by Peking to block the Soviet Union's aid to Vietnam." Radio Moscow stated on the same day, that UN delegates believe the tough US attitude is explained by the fact that US strategists are counting on China's stopping Soviet overland aid to Hanoi, which would force the Soviet Union to rely on the vulnerable sea route to Haiphong.
- 7. Moscow's most specific charges to date were contained in a Novosti release of 23 February which accused the Chinese of replacing modern supersonic fighters in transit with obsolete planes and delaying or sabotaging other equipment.

LAOS PANHANDLE 108 Quang Khe Road Unusable road NORTH Track or trail VIETNAM Dong H 105 23 FEBRUARY 103 Vinh Linh DEMARCATION LINE F102 Ban Watt Bo Ho Su Dong Ha Quang Tri Muong Phalane Tchepone Ban Dong Recently extended Muong Phine HUE Lap Nam Muong Nông A Shau Valley (approximate) ...₂₃.0 Last termina point L S DA NAN Ban Bag 923 n Bouang Ben' n Bung Sai Giang 23/16 Dak Nhe Ban Phone 165 Chavane SOUTH MAKSE VIETNAM Ω Z K 1am passak Dak Sut Dak To KONTUM Siem Pang CAMBODIA 65846

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VI. OTHER MAJOR ASPECTS

- 1. MACV has reported that the Communists are extending Route 922 in the Laos panhandle toward the A Shau Valley in South Vietnam. This road—one of three main Laotian roads leading toward the South Vietnamese border and the first to be extended into South Vietnam—will apparently run from its last observed terminus about 900 yards inside Laos to a point about nine kilometers inside South Vietnam near the village of Lap Nam. MACV does not believe that the road is currently motorable along the full length of the new segment. At the present rate of improvement, however, trucks might be able to reach the A Shau Valley within 30 days.
- 2. MACV reported on 21 February that trucks have been observed on the Laotian portion of the road as far as the South Vietnamese border. In the past, supplies are believed to have been moved by porters from the terminus of Route 922 into South Vietnam.

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